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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ANNE MARIE KENDALL, individually and
on behalf of all others similarly situated,

Plaintiffs,

v.

VERIZON DATA SERVICES LLC;
VERIZON CORPORATE SERVICES
GROUP INC.; and DOES 1 through 20,
inclusive,

Defendants.

Case No. 3:22-cv-05324-SK

**JOINT ADMINISTRATIVE MOTION
TO FILE UNDER SEAL THE
SETTLEMENT AMOUNT OF THE
PARTIES' INDIVIDUAL
SETTLEMENT AGREEMENT**

Complaint Filed: June 22, 2022
First Amended Complaint: October 25, 2022

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13 and on behalf of all others similarly situated.
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Pursuant to Civil Local Rules 7-11 and 79-5, Plaintiff Anne Marie Kendall (“Plaintiff”) and Defendants Verizon Data Services LLC and Verizon Corporate Services Group Inc. (collectively, “Verizon”) jointly bring this administrative motion to file under seal portions of Exhibit 1 to the Declaration of Kristy R. Connolly (“Connolly Declaration”) submitted in support of the Second Joint Stipulation To Approve PAGA Settlement in order to preserve the confidentiality the parties negotiated with respect to the individual settlement amount and to prevent misuse by future litigants against Verizon.

I. LEGAL STANDARD

An order to seal “may issue only upon a request that establishes that the document, or portions thereof, are privileged . . . or otherwise entitled to protection under the law.” Civil L.R. 79-5(b). The designating party must demonstrate “compelling reasons” for documents related to dispositive motions to merit sealing. *Kamakana v. City & Cty. of Honolulu*, 447 F.3d 1172, 1180-81 (9th Cir. 2006). Further, this District’s local rules require a designating party to state the reasons for keeping a document under seal, including an explanation of “(1) the legitimate private or public interests that warrant sealing; (2) the injury that will result if sealing is denied; and (3) why a less restrictive alternate to sealing is not sufficient.” Civil L.R. 79(c)(1).

A district court has “inherent supervisory power” over its own documents, including the ability to seal documents. *Hagestad v. Tragesser*, 49 F.3d 1430, 1434 (9th Cir. 1995). Courts use their “sound discretion” to balance the public’s and the parties’ respective interests when deciding if settlement information may be sealed. *See id.* California district courts have routinely granted motions to seal settlement amounts. *See, e.g., Hummel v. Bimbo Bakeries USA, Inc.*, No. 14-CV-03683-JSC, 2015 WL 13738406 (N.D. Cal. Sept. 21, 2015) (granting motion to seal individual settlement amount in FLSA action); *Campanelli, et al. v. The Hershey Company*, No. 4:08-01862-BZ, Dkt. No. 443, (N.D. Cal. May 4, 2011) (approving motion to seal unredacted version of settlement stipulation and allowing redacted versions of settlement papers be filed in the public record); *Valadez et al v. CSX Intermodal Terminal, Inc.*, No. 3:15-CV-05433-AGT, Dkt. 202 (N.D. Cal. May 13, 2020) (granting motion to seal the terms of the non-PAGA settlement); *Hernandez v. Best Buy Stores, LP*, No. 13CV2587 JM (KSC), 2017 WL 2445438, at *2 n.2 (S.D.

1 Cal. June 6, 2017) (granting motion to file certain non-PAGA-related settlement information
2 under seal).

3 **II. DISCUSSION**

4 **A. Compelling Reasons Exists to Seal the Amount Of Plaintiff's Individual Settlement.**

5 Under California Labor Code Section 2699(1)(2), the Court must “review and approve any
6 settlement of any civil action” filed pursuant to the Private Attorneys General Act (“PAGA”).
7 The parties agree that the information disclosing the total amounts to be paid pursuant to
8 Plaintiff’s individual PAGA claims will remain in the public record. But the Court need not
9 review and approve the settlement of Plaintiff’s *individual* wage and hour claims. Compelling
10 reasons exist to keep this amount out of the public record.

11 “There is no presumptive right of access to confidential settlement documents when the
12 court need not approve or enforce the settlement.” *Nelson v. Levy*, No. 16-cv-03797-LB, 2018
13 U.S. Dist. LEXIS 178737, at *2 (N.D. Cal. Oct. 17, 2018). Courts recognize as compelling
14 reasons to seal the amount of settlement that monetary settlements are frequently designated as
15 confidential by the parties and forcing parties to disclose the amount would discourage
16 settlement. *Lauris v. Novartis AG*, No. 1:16-cv-00393-SEH-SAB, 2018 U.S. Dist. LEXIS
17 184155 (E.D. Cal. Oct. 26, 2018). These principles have been applied in the context of a PAGA
18 claim, where parties seek to seal terms of a settlement agreement that are outside the scope of a
19 court’s approval. For example, in *Salazar v. Sysco Cent. California, Inc.*, No. 1:15-CV-01758-
20 DAD-SKO, 2017 WL 68114, at *2 (E.D. Cal. Jan. 5, 2017), the Court granted the parties’ motion
21 to seal “non-PAGA-related settlement terms,” reasoning that “but for plaintiffs’ PAGA claims,
22 the parties would have had no reason to submit these portions of the agreement to the Court for
23 approval, or otherwise publicly disclose these terms.” The Court concluded that the “parties’
24 interests in keeping the terms of their non-PAGA-related settlement terms confidential and the
25 minimal public interest in disclosure” merited sealing. *Id.*

1 The compelling reasons that justified sealing in *Salazar* are present here. The parties
 2 negotiated and agreed as a material component of the settlement to keep confidential the amount
 3 of Plaintiff's individual settlement. (Declaration of Steven M. Zdravetz ("Zdravetz Decl.") ¶
 4 4.) Requiring the parties to now disclose that amount in the public record denies them the benefit
 5 of their bargain and would discourage parties from settling future litigation. *See, e.g., Hummel*,
 6 2015 WL 13738406, at *3. For this reason, courts regularly grant motions to seal settlement
 7 amounts, especially where doing so promotes settlement and preserves the parties' desired
 8 confidentiality. *See, e.g., Trinh v. JPMorgan Chase & Co.*, No. 3:07-CV-01666, Dkt. No. 59
 9 (S.D. Cal., Jan. 26, 2009) (granting motion to receive confidential settlement agreement under
 10 seal); *Campanelli, et al. v. The Hershey Company*, No. 4:08-01862-BZ, Dkt. No. 443, (N.D. Cal.
 11 May 4, 2011) (approving motion to seal redacted information in settlement papers); *City of*
 12 *Hartford v. Chase*, 942 F.2d 130, 135 (2nd Cir. 1991) ("a federal judge has the power to prevent
 13 access to settlement negotiations [by sealing settlement documents] when necessary to encourage
 14 the amicable resolution of disputes"); *In re Franklin Nat'l Bank Sec. Litigation*, 92 F.R.D. 468,
 15 471-72 (E.D.N.Y. 1981) (refusing to unseal settlement documents and noting that "secrecy of
 16 settlement terms . . . is a well-established American litigation practice").

17 **B. The Parties Have a Legitimate Interest in Keeping Sealed the Amount of**
 18 **Settlement While There Is No Public Interest in the Settlement Amount of**
 19 **Plaintiff's Individual Wage and Hour Claims.**

20 The parties' strong interest in keeping the individual settlement amount confidential is not
 21 outweighed by any public interest. Indeed, "[t]here is no general public interest in the precise
 22 settlement amount." *Hummel*, 2015 WL 13738406, at *3. That is especially true given that the
 23 parties seek to seal only the payment amount negotiated to resolve Plaintiff's individual and non-
 24 PAGA claims asserted in this action, which are outside the scope of the Court's approval and
 25 need not be publicly disclosed in order for the Court to evaluate the motion to approve the PAGA
 26 settlement. With respect to the settlement terms related to Plaintiff's PAGA claim—none of
 27 which the parties propose sealing—"the public can be assured that the settlement is
 28 fundamentally fair as it is subject to judicial scrutiny both as to substance and compensation" by

virtue of the Court's review and approval. *Hummel*, 2015 WL 13738406, at *3. Sealing only the amount of settlement therefore strikes an appropriate balance between the parties' privacy concerns and the public's interest in disclosure.

C. Requiring the Parties to File Publicly the Amount of the Settlement Will Result in Harm to the Plaintiff and Verizon, and No Less Restrictive Alternative Exists to Prevent This Harm.

As discussed above, public disclosure of the individual settlement amount harms the parties by depriving them of the confidentiality provision they negotiated. Further, publishing this information on the Court's docket creates the potential for misuse of the settlement agreement by future litigants seeking to bring claims against Verizon. *See Autodesk, Inc. v. Alter*, No. 16-CV-04722-WHO, 2017 WL 1862505, at *7 (N.D. Cal. May 9, 2017) (agreeing that a compelling reason exists to keep sealed the amount of settlement because disclosure "would harm [Disney's] commercial standing because it gives parties in future negotiations with [Disney] access to secret information about comparative settlement pricing and terms."); *Rose v. Wildflower Bread Co.*, No. CV 09-1348-PHX-JAT, 2011 U.S. Dist. LEXIS 69953, at *2 (D. Ariz. June 28, 2011) (same). To prevent this harm, the parties propose sealing only the portions of the settlement agreement discussing the amount of the individual settlement payment for the non-PAGA claims.

Document	Requested Sealing
Exhibit 1 to the Declaration of Kristy R. Connolly submitted in support of the Second Joint Stipulation To Approve PAGA Settlement	Certain highlighted information on page 2 showing the amount and allocation of the individual settlement amount for Plaintiff's individual wage and hour claims.

III. CONCLUSION

For the reasons stated above, the parties respectfully request that the Court maintain under seal portions of the settlement agreement attached to the Connolly Declaration as reflected in Exhibit A to the concurrently submitted Zadavec Declaration and as identified in the concurrently submitted proposed order.

1 Dated: December 20, 2023

JONES DAY

2
3 By: /s/ Steven M. Zadravec

4 Steven M. Zadravec

Brian M. Jorgensen

Aileen Kim

5 Lauren E. Dutkiewicz

6 Attorneys for Defendants

7 VERIZON DATA SERVICES LLC and

8 VERIZON CORPORATE SERVICES GROUP

9 Dated: December 20, 2023

AEGIS LAW FIRM, PC

10
11 By: /s/ Kristy R. Connolly

12 Kristy R. Connolly

13 Attorneys for Plaintiff

14 ANNE MARIE KENDALL

15
16
17 **SIGNATURE ATTESTATION**

18 I hereby attest that concurrence in the filing of this document has been obtained from each
19 signatory indicated by a “conformed” signature (/s/) within this e-filed document.

20 Dated: December 20, 2023

By: /s/ Steven M. Zadravec

21 Steven M. Zadravec

22 Attorneys for Defendants

23 VERIZON DATA SERVICES LLC and

24 VERIZON CORPORATE SERVICES

25 GROUP